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Proposed programme budget for the biennium 2008-2009

Construction of additional office facilities at the Economic Commission for Africa in Addis Ababa

Twelfth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2008-2009

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the construction of additional office facilities at the Economic Commission for Africa (ECA) in Addis Ababa (A/62/487). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. The report of the Secretary-General was submitted pursuant to resolution 56/270, in which the General Assembly, inter alia, requested the Secretary-General to report on an annual basis on progress made in the construction of additional office facilities at ECA. The Committee notes that the report contains an update on actions taken to implement the project since the Secretary-General's previous report (A/61/158).

3. In its resolutions 56/270 and 60/248 the General Assembly approved the construction of additional office facilities (two additional floors) at the headquarters of ECA at a total estimated project cost of $11,383,300. The Secretary-General indicated that, as a result of the approval of the two additional floors, the project design had to be revised to address a number of issues, such as the positioning of the elevators and the electrical circuitry in the structure. Other associated changes entailed cost escalation and required amendments to the initial contract with the international architect. The amendments to the contract with the international architect were signed on 13 June 2007 and the architect submitted the final drawings to ECA at the end of August 2007. According to the Secretary-General, owing to the amendments to the contract with the international architect and the delay in the design work, the original project schedule has had to be revised. The project is now expected to be completed in August 2010 instead of October 2009.

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4. The Secretary-General indicated that, owing to the delays in the project design phase, the additional requirements relating to ensuring safety and security and the unforeseen construction components that have become necessary for the new office facilities, it is anticipated that the total cost of the project would amount to $14,333,100, i.e., an additional $2,949,800 over the approved budget of $11,383,300. The Committee notes that out of the total amount of $2,949,800, a provision of $1,100,000 for the information and technology network and telephone equipment, has been included in the proposed programme budget for the biennium 2008-2009 (A/62/6 (Sect. 32)). Thus, the report of the Secretary-General contains a request for funding the balance of $1,849,800 (net of staff assessment) of the additional requirements.

5. As indicated in table 3 of the report (A/62/487), the additional funding requested in the report is proposed for the following:

Safety and security	$759 800
Internal access roads	$130 000
Parking and landscaping	$660 000
Generators and generator house	$300 000
Total	**$1 849 800**

6. Information on the estimated requirements of $759,800 for safety and security is contained in paragraphs 8 and 9 of the report. The security requirements had not been sought earlier while ECA was revising the design. The Secretary-General indicated that, upon finalization of the design and following an assessment of the threat level and the security arrangements required during the construction phase, it was identified that, as of 2008, additional resources will be required. He also indicated that the security staff currently authorized at ECA are fully engaged in covering existing assignments. The Secretary-General estimates that 25 additional security officers will be required to provide effective security services to the construction areas and to other areas of the complex in which the work and activities of the United Nations will continue to be performed. The Advisory Committee was informed that the additional security officers would be recruited locally, should the General Assembly approve the required funding.

7. The estimated requirements of $130,000 for internal access roads are explained in paragraph 12 (a) of the Secretary-General's report. As stated therein, at the time of the project's conception, no internal access road was considered necessary because the initial location of the building was inside the existing compound and it was uncertain at that time whether additional land would be granted by the host Government. With the subsequent allocation of additional land and the completion of the design, it has become necessary to build internal access roads at an estimated cost of $130,000.

8. The Advisory Committee notes that ECA collaborates with the local authorities on the construction of an alternative public access road. It also notes that while the Addis Ababa municipality remains positive as to the timely construction of the road, no progress has been made to date. The Secretary-General indicated that, in the event that ECA will have to construct the access road, additional costs for the United Nations will have to be incurred. The Committee was informed that while the Host Country Agreement and local land lease agreement do not contain a specific clause regarding road construction, it can be inferred from the lease

agreement that it is the responsibility of the host Government to construct the external access road. **The Committee recommends that the Secretary-General actively pursue the conclusion of the negotiations on this matter in a timely manner so as not to delay the construction project at ECA.**

9. The Committee notes that the cost of constructing a multi-storey parking facility is estimated at $660,000 (i.e., a parking capacity of 660 cars at an average cost of $1,000 per car space). As indicated in paragraph 12 (b) of the report, ECA is currently reviewing the possibility of introducing a parking fee policy as from January 2008. **The Committee welcomes this development and trusts that the next progress report will include information on the level of the parking fee at ECA and on the related income.**

10. The Committee also notes that a provision of $300,000 is proposed for back-up generators and facilities, to ensure power supply to the new office facilities upon their completion. The generator would be installed during the construction phase (see A/62/487, para. 12 (c)).

11. **The Advisory Committee recommends that the General Assembly approve the course of action proposed in paragraph 15 (a) and (b) of the report of the Secretary-General on the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa (A/62/487). At the same time, the Committee is of the view that cost containment measures should be taken so that the project does not entail further cost escalation beyond the current proposed budget of $14,333,100.**